

# TFI GCC Equity Opportunities Fund (Q)

May 2013  
FACTSHEET

## Fund Objective

The First Investor GCC Equity Opportunities Fund (Q) (the "Fund") is an open-ended collective investment scheme registered under the Laws of Qatar, founded by Barwa Bank Q.S.C. and managed by The First Investor Q.S.C.C. The objective of the Fund is to achieve long-term capital growth through investments in a broadly diversified portfolio of equities and equity related securities of companies listed on exchanges within the Gulf Cooperation Council (the "GCC") countries. Investment in the Fund is limited to Qatari individuals and institutions. This fund was awarded "Best Islamic Investment Fund" by *Banker Middle East*, Product Awards 2013.



## Fund Facts

Fund Information		Top 5 Holdings		
Net Asset Value / Unit	30 May 2013	QAR 1,114.83	Saudi Basic Industries Corp.	11.0%
Net Asset Value / Unit	30 April 2013	QAR 1,080.37	Ethihad Etisalat	10.3%
Fund Type	Open Ended, Shariaa Compliant		Industries Qatar	9.7%
Risk Level	High		Al Rajhi Bank	8.3%
Subscription / Redemption	Monthly		Aramex	7.7%
Next Subscription Deadline	24 June 2013		Fund Fees	
Next Redemption Deadline	17 June 2013		Subscription Fee	1.00%
Inception Date	31 October 2012		Management Fee	1.50% per year (paid monthly pro-rata)
Founder	Barwa Bank Q.S.C.		Performance Fee	10% p.a. above hurdle rate of 10%
Fund Manager	The First Investor Q.S.C.C.		Redemption Fee	0.50%
Custodian	HSBC Bank Middle East Limited, Qatar		Fund Capital	
Auditor	KPMG, Qatar		Assets Under Management	QAR102m
Benchmark	Bloomberg GCC 200		Minimum Subscription	QAR 100,000

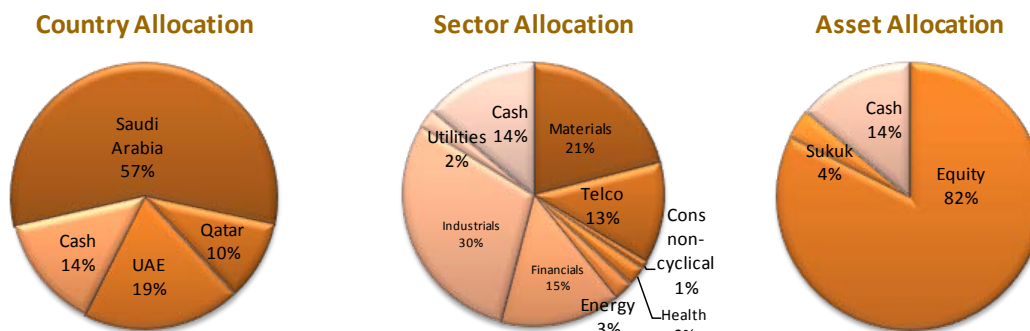
## Fund Managers Comment

In May, the Fund increased by 3.2% MoM. The fund is up 11.2% Year-to-Date (YTD) while the Bloomberg GCC200 Index is up by 11.5% over the same period. Since Inception (31<sup>st</sup> of October 2012) the fund is up by 11.5%.

Globally, the stock market is adjusting for higher interest rates expectations as the U.S. economy is finally gaining some positive momentum. The "risk on" trade continued albeit at a slower pace as disgruntled fixed income investors continue to seek higher returns in equities. We could expect an increase in volatility and some selective short lived profit taking, but no durable correction given the fact that the medium and long term outlook for equities remains constructive. We will opportunistically and selectively buy potential dips.

We advocate the quality style comprising high growth, defensive earnings, high dividend yield and low debt / equity in the mid-large cap part of the market while momentarily decreasing our appetite for beta. Within the GCC, we are overweight Saudi Arabia which trades at relatively attractive valuations, high dividend yields, strong visibility in cash flows, relatively high earnings growth and low(er) systemic risk (5 years sovereign KSA CDS trading at 70 vs. 125 GCC average). We also see a longer term catalyst in the fact that Saudi could be moving towards direct foreign ownership and a more institutional-oriented equity market. On valuation, the GCC trades on 11.3x forward P/E yielding 3.3% and EM (Emerging Markets) on 10.8x forward P/E yielding 2.7%.

## Investment Allocation



## Fund Managers

**Robert Pramberger, CFA** (over 14 years of experience in financial markets)  
**Patrick Rahal** (over 8 years of experience in financial markets)

PO BOX 27778, Doha - Qatar

Tel (974) 8008555

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